

State of Wisconsin



2013 Senate Bill 576

Date of enactment: **April 8, 2014**
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2013 WISCONSIN ACT 212

AN ACT to repeal and recreate 628.02 (1) (b) 8.; and to create 632.977 of the statutes; relating to: the sale of limited lines travel insurance.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 2. 628.02 (1) (b) 8. of the statutes is repealed and recreated to read:

628.02 (1) (b) 8. A travel retailer, as defined in s. 632.977 (1) (d), or an employee or authorized representative of a travel retailer, that offers and disseminates, as defined in s. 632.977 (1) (am), travel insurance under s. 632.977.

SECTION 4. 632.977 of the statutes is created to read:
632.977 Limited lines travel insurance. (1) DEFINITIONS. In this section:

(a) "Firm" means a firm under s. Ins 6.58 (1m), Wis. Adm. Code, that sells, solicits, or negotiates travel insurance through an individual travel insurance producer.

(ac) "Firm license" means a license described in s. Ins 6.58 (2), Wis. Adm. Code, that is held by a firm.

(am) "Offer and disseminate" means to provide general information, including a description of coverage and price, as well as to process applications, collect premiums, and perform other activities permitted by statute or rule.

(b) 1. "Travel insurance" means limited lines insurance coverage for personal risks incident to planned travel, including any of the following:

a. Interruption or cancellation of trip or event.

b. Loss of baggage or personal effects.
c. Damages to accommodations or rental vehicles.
d. Sickness, accident, disability, or death occurring during travel.

2. "Travel insurance" does not include major medical plans that provide comprehensive medical protection for travelers with trips lasting 6 months or longer, such as those persons working overseas as expatriates or military personnel being deployed.

(c) "Travel insurance producer" means an intermediary who is licensed under sub. (2) to sell, solicit, or negotiate travel insurance.

(d) "Travel retailer" means a business entity that makes, arranges, or offers travel services.

(2) LIMITED LICENSE TO SELL TRAVEL INSURANCE. The commissioner may issue to a person licensed as an intermediary under ch. 628 who applies on a form and in the manner prescribed by the commissioner, a limited lines travel insurance producer license authorizing the person to sell, solicit, or negotiate travel insurance through an insurer.

(3) AUTHORITY TO OFFER AND DISSEMINATE TRAVEL INSURANCE. A travel retailer, or an employee or authorized representative of a travel retailer, may offer and disseminate travel insurance under a firm license of a firm, only if the firm holds such a license, and only if all of the following apply:

* Section 991.11, WISCONSIN STATUTES: Effective date of acts. "Every act and every portion of an act enacted by the legislature over the governor's partial veto which does not expressly prescribe the time when it takes effect shall take effect on the day after its date of publication."

(a) A travel insurance producer or the travel retailer provides to purchasers of travel insurance all of the following:

1. The material terms, or a description of the material terms, of the travel insurance coverage.
2. A description of the process for filing a claim.
3. A description of the review or cancellation process for the travel insurance policy.
4. The identity and contact information of the firm.

(b) The firm keeps a register of each travel retailer that offers and disseminates travel insurance on the firm's behalf. The register shall include the name and contact information of the travel retailer and of an officer or person who directs or controls the travel retailer's operations and the travel retailer's federal tax identification number. The firm shall also certify that the travel retailer register complies with 18 USC 1033. The firm shall submit the register to the commissioner upon request within 30 days after receiving a request.

(c) The firm has designated a travel insurance producer responsible for ensuring the travel retailer's compliance with the limited lines travel insurance statutes and rules of this state.

(d) The firm has paid all applicable licensing fees under s. 601.31 (1) (L) 2.

(e) A travel insurance producer requires each employee and authorized representative of the travel retailer whose duties include offering and disseminating travel insurance to receive a program of instruction or training, which shall be subject to review by the commissioner. The instruction or training materials shall contain, at a minimum, instructions on the types of insurance offered, ethical sales practices, and required disclosures to prospective customers.

(4) TRAVEL RETAILER DUTIES, LIMITATIONS, RIGHT TO COMPENSATION. (a) A travel retailer that offers and disseminates travel insurance on behalf of and under the control of a travel insurance producer shall make available to prospective purchasers of the travel insurance, brochures or other written materials that do all of the following:

1. Provide the identity and contact information of the insurer and the travel insurance producer.
2. Explain that the purchase of travel insurance is not required for the purchase of any other product or service from the travel retailer.

3. Explain that a travel retailer that is not licensed as a travel insurance producer may provide general information about the insurance offered by the travel retailer, including a description of the coverage and price, but is not qualified or authorized to answer technical questions about the terms and conditions of the insurance offered by the travel retailer or to evaluate the adequacy of the customer's existing insurance coverage.

(b) A travel retailer's employee, or authorized representative, who is not licensed as a travel insurance producer may not do any of the following:

1. Evaluate or interpret technical terms, benefits, or conditions of the offered travel insurance coverage.
2. Evaluate or provide advice concerning a prospective purchaser's existing insurance coverage.
3. Hold himself or herself out as an insurer, a licensed travel insurance producer, or an insurance expert.

(c) A travel retailer whose insurance-related activities, and those of its employees and authorized representatives, are limited to offering and disseminating travel insurance on behalf of and under the direction of a travel insurance producer that meets the conditions under this section is authorized to do so and to receive related compensation upon registration by the firm under sub. (3) (b).

(5) MISCELLANEOUS PROVISIONS. (a) Travel insurance may be provided under an individual policy or under a group or master policy.

(b) As the insurer designee, a travel insurance producer is responsible for the acts of each travel retailer offering and disseminating travel insurance on its behalf and under its control and shall use reasonable means to ensure compliance by the travel retailer with this section.

(c) A travel retailer offering and disseminating travel insurance on behalf of and under the control of a travel insurance producer and a travel insurance producer are exempt from the examination and education requirements under s. 628.04 (3).

(d) A travel insurance producer and any travel retailer offering and disseminating travel insurance on behalf of and under the control of a travel insurance producer are subject to ss. 601.41 (4), 601.43, 601.44, 601.61 to 601.64, and 628.34.

SECTION 5. Effective date.

(1) This act takes effect on the first day of the 4th month beginning after publication.